

**SOUTH CAROLINA DEPARTMENT OF LABOR, LICENSING, AND REGULATION
BEFORE THE SOUTH CAROLINA MANUFACTURED HOUSING BOARD**

In the Matter of:

BEACON HOMES, LLC
License No. MDL.35668

OIE # 2011-51

Respondent.

FINAL ORDER

This matter came before the South Carolina Manufactured Housing Board ("Board") on March 10, 2015, pursuant to an Amended Notice of Hearing on the Formal Complaint against the above-named respondent ("Respondent") served January 9, 2015, charging Respondent with violation of S.C. Code Ann. §§40-1-110(1)(f) (1976, as amended), 40-29-80(A)(1) (2001), 40-29-80(A)(8) (2001), 40-29-80(A)(13) (2001), and S.C. Code Ann. Regs. §§ 79-16 (2005), 79-18 (2005) and 79-19(G) (2005). A quorum of Board members was present. Respondent appeared *pro se* through its representative, Nancy Blue.

The State was represented by Tracey Perlman, Assistant Disciplinary Counsel. Respondent moved to dismiss the matter since the Complainant was not present, but the Board denied the motion.

On March 12, 2015, the Board reconsidered its decision from March 10, 2015, based on jurisdictional grounds. A quorum of Board members was present in person or by phone. Respondent appeared *pro se* through its General Manager, Freddie Godbee. The State was represented by Princess Hodges, Assistant Disciplinary Counsel.

Witnesses and Exhibits

Witness: R.J. Kirby, LLR Investigator
Nancy Blue, Representative for Respondent
Raleigh Dubose, Salesperson for Respondent

The following are the State's Exhibits that were admitted without objections:

State's Exhibit 1:	Amended Notice of Hearing, Formal Complaint and Certificate of Service
State's Exhibit 2:	Subpoena to Raleigh Dubose to appear before the Board on March 10, 2015
State's Exhibit 3:	Copy of Raleigh Dubose's business card from Beacon Homes, LLC
State's Exhibit 4:	Sales Contract between Sharon Jones and Beacon Homes for Seventy Three Thousand Two Hundred Thirty Five and No/100 (\$73,235.00)

- Dollars with a down payment of Four Thousand and No/100 (\$4,000.00)
Dollars dated January 24, 2010
- State's Exhibit 5: Receipt No. 3309 from Beacon Homes, LLC to Sharon Cox for One Thousand Seven Hundred and No/100 (\$1,700.00) Dollars on January 5, 2010; Receipt No. 2336 from Beacon Homes, LLC to Sharon Cox for Two Thousand Three Hundred and No/100 (\$2,300.00) Dollars on October 6, 2009; and a copy of check for Two Thousand Three Hundred and No/100 (\$2,300.00) Dollars from Beacon Homes, LLC to Sharon Jones Cox dated May 19, 2010
- State's Exhibit 6: Sales Contract between Beacon Homes, LLC and Sharon Jones for Seventy Three Thousand Two Hundred Thirty Five and No/100 (\$73,235.00) Dollars with a down payment of Thirteen Thousand and No/100 (\$13,000.00) Dollars dated January 24, 2010
- State's Exhibit 7: Copy of a U.S. Treasury check made out to Sharon S. Cox for Seven Thousand Five Hundred Sixty Four and 83/100 (\$7,564.83) Dollars for tax refund and endorsed by Sharon Cox and Dubose Enterprise
- State's Exhibit 8: Letter from Wells Fargo to LLR dated September 12, 2014 including subpoenaed checks paid to the order of Sharon S. Jones issued by the U.S. Treasury Department and/or Beacon Homes, LLC and deposited into the account for Dubose Enterprise
- State's Exhibit 9: Copy of a Waiver of Attorney signed by Mary S. Blue for Beacon Homes LLC dated March 10, 2015.

The following are the Respondent's Exhibits that were admitted by the Board over the objection of the State as to Exhibit 1:

- Respondent's Exhibit 1: Affidavit of Sharon Jones dated November 5, 2012
- Respondent's Exhibit 2: Letter dated December 17, 2012 to Douglas Tribbe from Freddie Godbee denying a claim against the bond for Raleigh Dubose

FINDINGS OF FACT

1. On January 24, 2010, Complainant signed two (2) contracts with Beacon Homes, LLC ("Beacon"). One was for \$73,235.00 with a \$4,000.00 down payment. [State's Exhibit 4] The other was also for \$73,235.00 but with a \$13,000.00 down payment. [State's Exhibit 6] Raleigh Dubose was the salesperson for Beacon and signed as the salesperson and authorized agent for Beacon on both contracts. He testified that his supervisor authorized him to sign as salesperson and authorized agent if the supervisor was not present.

2. On October 10, 2009, Complainant paid a check to Beacon in the amount of \$2,300.00. [State's Exhibit 5] On January 5, 2010, Complainant paid cash in the amount of \$1,700.00 to Beacon. [State's Exhibit 5]

3. The United States Treasury sent Complainant a check for \$7,564.83 for a tax refund as a first time home buyer. The check was endorsed by Sharon Cox (Complainant), and Dubose Enterprise. [State's Exhibits 7 and 8]

4. In response to a subpoena *duces tecum* from LLR requesting records on account for Dubose Enterprise and checks paid to the order of Sharon S. Cox, Wells Fargo provided a copy of the \$7,564.83 check from the U.S., Treasury which is endorsed by Sharon Cox and Dubose Enterprise, plus a deposit slip and check from Beacon Homes to Sharon Jones Cox in the amount of \$2,300.00. [State's Exhibit 8] Mr. Dubose testified that he took the Complainant to the bank to get cash for the \$7,564.83 check from the U.S. Treasury and the \$2,300.00 check from Beacon Homes.

5. Mr. Dubose testified that he was not certain whether or not Beacon would go into bankruptcy and would be able to sell the Complainant a home; consequently, he took her to a dealer in Lake City to purchase a home. However, he is not certain whether or not she purchased anything at that time. Mr. Dubose testified that Dubose Enterprise is a company he owns, which sells used manufactured homes.

6. Ms. Blue testified that she is the agent and salesperson for Beacon in Florence, South Carolina. She has no personal knowledge of the transactions that took place with the Complainant and Mr. Dubose. Beacon's records indicate that the \$4,000.00 was refunded to the Complainant. Beacon has no records of receiving the \$7,564.83 from the U.S. Treasury.

7. Mr. Dubose testified that Beacon never got the \$13,000.00 shown as the down payment on the sales contract. [State's Exhibit 6]

8. Ms. Blue testified that the standard in the manufactured housing industry is for the authorized agent for the dealer to review and approve sales contracts.

CONCLUSIONS OF LAW

1. The Board has jurisdiction in this matter.

2. The burden of proof is upon the State to prove the alleged violations by a preponderance of the evidence. The State did not meet that burden of proof with respect to the allegations of violation of S.C. Code Ann. §§40-29-80(A)(1), 40-29-80(A)(8) and 40-29-80(A)(13) (2001) and S.C. Code Ann. Regs. 70-16, but did meet its burden of proving Respondent violated S.C. Code Ann. § 40-1-110(1)(f) and S.C. Code Ann. Regs. §§ 79-18 and 79-19(G) (2005).

3. Respondent has not complied with the codes and standards that govern the practice of manufactured housing in South Carolina, as evidenced by the following:

- a. Respondent is in violation of S.C. Code Ann. § 40-1-110(1)(f) (1976, as amended) in that the Respondent has committed a dishonorable, unethical, or unprofessional act that is likely to deceive, defraud or harm the public by not properly supervising its salesperson, Mr. Dubose, and by executing two (2) sales contracts with Sharon Cox on the same date with one containing a bogus down payment.

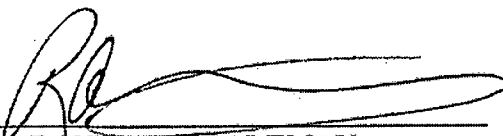
- b. Respondent is in violation of S.C. Code Ann. Regs. § 79-18 (2005) in that Respondent failed to adequately supervise or control its employee, Mr. Dubose.
- c. Respondent is in violation of S.C. Code Ann. Regs. § 79-19(G) (2005) in that Respondent failed to review and supervise a transaction handled by or involving a salesperson by failure to review and supervise the transaction handled by Mr. Dubose involving Sharon Cox.

NOW, THEREFORE IT IS ORDERED that:

1. Respondent shall pay a fine of Two Thousand Five Hundred and No/100 (\$2,500.00) Dollars within sixty (60) days from the date of this Order.
2. Respondent's license MDL.35668 is suspended at the Florence, SC location until Respondent appears before the Board with testimony and documentation satisfactory to the Board of steps Beacon Homes has taken to correct the mismanagement and supervision problems with its employees at the Florence location .

AND IT IS SO ORDERED.

**SOUTH CAROLINA MANUFACTURED
HOUSING BOARD**

BY: 
RANDALL A. ALTMAN
Chairman of the Board

March 13, 2015